

RETIREMENT BENEFITS DEDUCTION FOR QUALIFIED RETIREMENT BENEFITS

If you are age 65 or older, or disabled and age 62 or older, you may be able to deduct some of the qualifying retirement benefits and annuities you receive. You can't claim this deduction if you are married and file separately.

If you're an unremarried widow or widower of a pensioner and receive qualifying survivor benefits, you may be eligible to claim the deduction. To qualify, you must be age 65 or older, or disabled and age 62 or older.

For this deduction, a disabled individual is someone who is recognized as disabled by the Social Security Administration, the Railroad Retirement Board, or the Office of Management and Budget, a disabled veteran of any U.S. war whose disability is recognized as a service-connected disability of 10% or more, a veteran who receives a nonservice-connected disability pension, or a person who has physician-certified permanent disability with no expectation of improvement. The following are qualified retirement benefits:

The following are **some** of the qualified retirement benefits ([view the full document for other qualified benefits](#)):

- **Civil Service Employees:** Retirement annuities paid by the United States of America Civil Service Retirement System (CSRS). To qualify for the deduction, the employee must have established eligibility before 1984. Retirement annuities paid to a retired federal employee under the Federal Employees Retirement System (FERS) don't qualify for the deduction. If you received a CSA-1099, you can tell if your benefits are paid under the CSRS or FERS by looking at the first digit of the account number shown on your CSA-1099. If the first digit of the account number is 7 or 8, the benefits are paid out of FERS and do not qualify. If the first digit is 0, 1, 2, 3, or 4, the benefits are paid out of CSRS.
- **Servicemen:** Retirement benefits paid by the United States to a retired member of the U.S. military.

The amount deducted must be reduced by retirement benefits received by you and your spouse under the Federal Social Security Act and the Federal Railroad Retirement Act.

Disability pension paid by the Federal Railroad Retirement Act may not be included on your Form RRB-1099 or RRB-1099-R, if you are under the minimum retirement age. Instead it may be included on Form 1040, line 7, as wages.

The maximum amounts that may be deducted for 2013 are:

Married filing jointly:

- age 65 or older \$45,594
- age 62 or older and disabled \$45,594

Single:

- age 65 or older \$30,396
- age 62 or older and disabled \$30,396

Complete Part C and include with your return Form(s) 1099 for all qualified retirement benefits claimed.

Reference:

Idaho State Tax Commission document # EIN00046

http://tax.idaho.gov/forms/EIN00046_11-22-2013.pdf